

**IMPLEMENTATION OF THE TEMPORARY ASSISTANCE FOR NEEDY  
FAMILIES (TANF) ON AMERICAN INDIAN RESERVATIONS:  
EARLY EVIDENCE FROM ARIZONA**

Early experience of TANF implementation on American Indian reservations within  
Arizona

A testimony by

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We are happy to share with you today some of the findings from our study on the implementation of TANF on American Indian reservations. We are funded by the DHHS to monitor the impacts of the 1996 federal welfare reform legislation on American Indian families with children on reservations. The views offered in this policy testimony are solely those of the authors. As far as we know, we are the only longitudinal study in the country engaged in monitoring the impact of TANF on American Indian reservations. We are funded for five years (1997-2002). We have launched our study on reservations within the state of Arizona. Our goal is to inform the public policy debate on the strengths and weaknesses of the 1996 federal welfare reform legislation as it develops on American Indian reservations.

This testimony is based on the data we have collected since October 1997. It focuses on aspects of the 1996 welfare legislation implementation in Indian communities within Arizona. We analyzed secondary data from administrative sources relevant to the implementation of welfare reform legislation in Indian communities. In addition, we collected and analyzed primary (qualitative and quantitative) data regarding welfare reform options implemented on reservations and their impacts. Primary data are from in-depth telephone interviews with service providers in 15 of the 21 reservations within Arizona. This information was substantiated by two site visits to three reservations where we conducted focus group interviews with state and tribal social service providers and welfare recipients. Finally, with the help of trained tribal interviewers we are currently interviewing current or former welfare recipients from three reservations using a structured questionnaire. We have included a few preliminary findings from the structured questionnaire in this testimony. The following are the early experiences of tribes, as well as early evidence of impacts of TANF implementation on women with children on American Indian reservations within Arizona:

**1. Increased legislative authority to tribes to self-administer welfare policies and services:** As the 1996 welfare law has put an end to AFDC as entitlement to individuals, it has also bestowed power upon tribal governments who wish to administer their own programs. Until now, states have been the principal administrators of AFDC programs, including the administration of AFDC benefits to American Indian families on reservations. Of the 500 tribes and 310 reservations recorded in the country by the 1990 Census (Shumway & Jackson, 1995), only five tribes, all located in Wisconsin, had

previously subcontracted with the state to provide AFDC and to determine eligibility requirements for Food Stamp and Medicaid on their reservations. In contrast, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 has given an option to each tribe to either participate in its respective state program or submit its own TANF administration plan to the Secretary of the Department of Health and Human Services (DHHS) to receive direct funds to administer the block grant. Tribal plans can be different from the federal mandate in that the law allows tribes the flexibility to determine: (a) their own service populations, (b) their definitions of “family,” (c) the scope of assistance, (d) job participation rates, and (e) variations in time limitations (see section 412 of the PRWORA) (U.S. Congress, 1996).

There is much interest among tribes in Arizona, as well as in tribes in other states, to utilize this new option and exercise authority over the administration of TANF. Nationally, as of January 1999, 22 Indian Tribal Organizations had submitted their own tribal TANF administration plans to the DHHS. So far, the DHHS has approved the plans of 18 tribes and one consortium (see table 1). In comparison with other Indian communities, the Indian communities with approved plans are generally smaller and have lower levels of unemployment. Three of the 19 Indian Organizations are in Arizona (Pascua Yaqui, Salt River and White Mountain). In general, state plans tend to be more stringent than federal requirements, whereas the tribal plans tend to be more generous than state requirements. For instance, Arizona’s Department of Economic Security (DES) institutes a two-year time limit on benefit receipt within the first five years of receiving benefit, whereas the Pascua Yaqui Tribe (in Arizona) waives the two-year time limit for adult recipients who are meeting the work activity requirement.

Several other Arizona tribes expect to have a self-administration plan developed within the next few years. Tribes that have elected to stay with the state-administered TANF program are either gathering information so they may position themselves to self-administer TANF, or are disinterested as they are nearly “welfare independent” and have very few TANF households. Seven tribes (Ak-Chin, Cocopah, Fort McDowell, Fort Mojave, Havasupai, Kaibab Paiute and Yavapai-Prescott) (see table 2) have less than seven households receiving TANF. Five of these tribes (Ak-Chin, Cocopah, Fort McDowell, Fort Mojave and Yavapai-Prescott) have either employment opportunities (due to economic development opportunities within or near reservations) or tribal per capita payments, which disqualify families for receipt of other welfare assistance (e.g., TANF, Tribal General Assistance).

**2. Limitations of the 1996 federal welfare legislation on tribal administration of TANF:** The option for tribes to administer their own TANF programs has been praised as an example of the “government-to-government” relationship between tribes and the federal government. However, as tribes begin to develop plans for self-administration of TANF programs, they are also noticing the legislation’s limitations. For instance, the 1996 federal welfare legislation fails to treat them on par with the states. This is especially evident in three areas: unexpended TANF funds, funds to evaluate their performance, and federal rewards for “successful” work. In the first area, unexpended TANF funds, states

are allowed to keep these funds for future (unlimited time) use, but tribes must return any unexpended federal funds to the federal government within two years. In regards to the second area, performance evaluation funds, states receive additional money to evaluate their performance, whereas tribes that implement TANF independently do not receive evaluation money. Finally, with respect to the third area, federal rewards for "successful" work, states receive incentives for reducing caseloads, unwed births and teen pregnancies, whereas tribes do not receive any incentives, even when they are able to make reductions in the same areas.

Also noteworthy is that tribes administering their own TANF programs may not receive state matching funds, support costs and start-up money. As such, tribal leaders and service providers are concerned that devolution of responsibility for TANF administration without commensurate allocation of financial resources to the tribes may render the policy ineffective. Currently, we are aware of only nine states in the nation (Alaska, Arizona, California, Idaho, Minnesota, Montana, Oregon, Washington and Wyoming) that have agreed to provide state matching funds to tribes that administer their own TANF services (U.S. DHHS, 1998). It is important to note that, 13 of the 19 Indian communities that are currently self-administering TANF come from these nine states that provide matching funds. This evidence underscores the importance of providing matching funds to expedite tribal takeover of TANF programs.

**3. The 1996 federal welfare legislation's impact on enhancing organizational coordination, communication and collaboration:** According to state and tribal social service administrators, under the 1996 welfare legislation both states and tribes find it advantageous to ensure the coordination and provision of TANF and related services. The legislation has strengthened coordination, communication and collaboration at all levels--among tribal social service providers, between tribes, between tribes and states, and between tribes and the federal government. At the tribal level, for instance, coordination, collaboration and communication have increased among the staffs of social services, employment training, childcare and education, as well as between the staffs of other social service units. Increased coordination, communication and collaboration is an early positive effect of TANF legislation and may improve tribes' efforts to serve families with children in need in the future.

**4. Changes at the community level under the 1996 federal welfare legislation:** Like states, reservations also experienced a decline in the number of households and individuals (13 percent change) receiving TANF from January 1995 to January 1998 (see table 2), but for reservations the rate of decline was less rapid. During the same period, households and individuals among non-reservation TANF recipients within Arizona declined by 44 percent while the state of Arizona, which includes reservation and non-reservation TANF recipients, experienced a decline of 41 percent.

With regards to sanctions, some families on reservations in Arizona have experienced sanctions (see table 3). Between January of 1998 and January of 1999, 623 cases or 9.03 percent of Arizona's total reservation based TANF cases (as of January 1998) were sanctioned 25 percent, indicating that these cases lost 25 percent of their cash assistance. During the same time, a total of 517 cases (7.50 percent) were sanctioned 50 percent,

losing 50 percent of their cash benefit while 382 cases (5.54 percent) were closed due to sanctions resulting in a 100 percent loss of the cash benefit.

With regards to time limit, the state of Arizona waived the two-year EMPOWER time limit for all reservations with 50 percent or higher proportion of adults not employed. As a result, a very small proportion of the TANF recipients (193 adult recipients) from reservations has been removed from the TANF program due to a two-year EMPOWER time limit between January of 1998 and January of 1999 (see table 3). These recipients (193 adult recipients) make up less than one percent of the total TANF recipients on reservations as of January 1998. Ninety percent of these recipients were from reservations that were ineligible for a two-year EMPOWER time limit waiver (i.e., these reservations had at least 50 percent adults employed). The remaining 10 percent of recipients were from reservations that were eligible for a waiver (i.e., these reservations had less than 50 percent adults employed).

**5. Barriers to employment:** American Indian families with children on reservations experience employment barriers similar to those of their counterparts across the country. These are: a shortage of employment opportunities at the lower rungs of the economic order, a lack of transportation and childcare facilities, and low levels of education and job experience. Preliminary evidence suggests that these barriers are magnified on reservations. Poor families in Indian communities face additional barriers to employment because of their geographic isolation, lack of access to basic necessities (like telephones), individual and family problems, and stereotypes and discrimination by employers due to gender issues, ethnicity, or personal/family histories.

**6. Families' survival strategies:** Since Arizona began implementing its version of welfare reform in 1995, there has been evidence of increased efforts to participate in work and training activities by former and current welfare recipients. Waiting lists for job training and childcare programs have increased over the last two years. There is also evidence that families are living under extreme financial hardship--lacking the ability to purchase basic household supplies including food, fuel and clothing.

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